

BUDGET REVIEW COMMITTEE

JANUARY 10, 2011

A meeting of the Budget Review Committee was held Monday, January 10, 2011 at 7:13 p.m. in the Aldermanic Chamber.

Alderman-at-Large David W. Deane, Chair presided.

Members of Committee present: Alderman-at-Large Mark S. Cookson, Vice Chair
 Alderman-at-Large Lori Wilshire
 Alderman Richard P. Flynn
 Alderman Mary Ann Melizzi-Golja
 Alderman Jeffrey T. Cox
 Alderman Diane Sheehan

Members not in Attendance:

Also in Attendance: Alderman-at-Large Brian S. McCarthy
 Alderman-at-Large Ben Clemons
 Alderman-at-Large Barbara Pressly
 Alderman Kathryn D. Vitale
 Daniel Donovan, Chief Oper. Officer, Nashua School District

GENERAL PUBLIC COMMENT - None

COMMUNICATIONS

From: Rose Evans, Accounting/Compliance Manager
Re: Notice of the Acceptance and Appropriation of Unanticipated Funds

MOTION BY ALDERMAN DEANE TO ACCEPT AND PLACE ON FILE

ON THE QUESTION

Alderman Flynn

I wondered if anybody is familiar with how the policy worked. I noticed that several of these monies are money like for police overtime and it says specifically that it is to fund overtime costs for off-duty police officers. Does any of this money ever apply to pro-rated towards for example police vehicles for the hours that those vehicles are on the street? A similar question would be when we do detail work, sometimes I believe I see police vehicles on detail work; not always, but once in a while I see that. It might be different types of work that needs to be done. That detail work does the city receive some compensation on those detail funds to offset the costs of police cruisers?

Chairman Deane

It is my understanding, on the detail end of it, is that the contractor ends up paying an hourly rate of the detail. I forget what that amount is. I thought it was around \$65 an hour or something like that and those funds went to offset the cost of the patrolman, and I am not sure whether they use any of that money for any other specific purposes or not. That is a good question.

Alderman McCarthy

I'm not sure I know of any circumstances where we are using our cruisers for detail work. It is typically an officer who is at a construction site working safety, and I think they typically drive their own cars to that. On

the turnpike during construction we might have used them, but I think it is infrequent that we would ever need a cruiser for a detail.

Chairman Deane

I saw a Fairpoint truck down on the corner of Veterans Drive and Daniel Webster Highway with a police cruiser and a police officer there.

Alderman McCarthy

Okay.

Alderman Flynn

My question was do we know if we recover any funds towards the cost of vehicles, and I guess that question will be asked when other people are in the room.

Chairman Deane

Your first question is basically with the cars is that what you are saying?

Alderman Flynn

My first question was probably the smaller subset of hours that the officers do work overtime. In this particular case it looks like it is specifically only for the overtime costs. It says overtime costs of off-duty officers. It doesn't say overtime costs. I would think it is only officers' pay. Because we spend so much attention in capturing the hours on vehicles and what their hours are on the street and that kind of drives the replacement schedule, I didn't know if either of those sources was contributing towards replacement of vehicles. I guess we will ask that some other place.

Chairman Deane

Are you going to ask Ms. Evans that question?

Alderman Flynn

No, I probably will wait until the police department is in here or something.

Chairman Deane

Okay. Are there any other questions?

Alderman Vitale

Alderman Wilshire might know this question, but it might be something that she could take back to the Police Commissioner's meeting and ask directly if when we see a cost for overtime police officers if that cost includes the cost of the vehicle also as a combined cost. It might be that we see one charge per hour and that charge is both for the policemen and the vehicle that may be with them.

Alderman Wilshire

I would be happy to do that. No problem.

Chairman Deane

Thank you very much. Are there any other questions on any of this?

MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

R-10-66

Endorser: Alderman Diane Sheehan

**RELATIVE TO THE TRANSFER OF \$92,000 FROM ACCOUNT 591-86005
“FY2011 GENERAL CONTINGENCY” INTO ACCOUNT 577-11 “CODE
ENFORCEMENT, PAYROLL – FULL TIME”**

MOTION BY ALDERMAN SHEEHAN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Sheehan

It has been a while since this was written so my points are a little drawn out, but essentially the reason that I had put in for this was the size of our department has eroded over the years, and we have changed from being a proactive code enforcement department to being reactive, which is report driven; by someone calling in an instance and then having to have the code enforcement react to that.

I believe it was 15 years ago we had 7 code enforcement officers and now we have I believe 2 full-time and 1 part-time. We do not have code enforcement working nights and weekends, which is when a lot of these situations that they would need to address become more apparent. We have a situation in the inner-city where once one thing gets out of control it tends to spread to the neighboring buildings, and the other thing that has come up quite a lot during the walk through for the Broad Street Parkway was that we don't really know a lot about some of the streets and what is there and an inventory of what is owner-occupied, what is rental property, how many units are in there, how many illegally are in there, what do we have for driveway situations backing up to a one-way street that is now going to be an exit off-ramp. It is very difficult to do that without proper staffing and staff that is already so thinly stretched by having 2.5 people do what used to be done by 7.

I think that having more people available there to do that job would change it from being whether or not someone is calling in a suspicion of an illegal apartment such as where there was a fire over in Alderman Pressly's neighborhood or there was a unit on Birchwood that had turned into basically a rooming house in a residential neighborhood. These things, it behooves a neighbor to report these things coming and going and that is not really the community's job. We should be managing our code by the city employees and being proactive; if we see something that doesn't make any sense, if somebody is hanging a bunch of extension wires out of an attic window because they are running things downstairs. We have had instances where it took us months to get a house condemned even though people had called in repeatedly over on Summer Street, that house. It was a couple of years ago and they were running the electricity off the car in the driveway. We haven't staff up since then. That house has since been sold at auction and been rehabbed and

it is a beautiful two-family now, but these are the kind of things that impact the value of the homes around them, of the quality of life, and I think code enforcement will have a big impact on driving the value of the inner-city in a positive direction and making sure that we have a good understanding of the neighborhoods we are impacting with the Broad Street Parkway. Thank you.

Alderman Vitale

When you were in the middle writing of this resolution, did you find out how most calls in the code enforcement are done? Are they usually done by somebody within the neighborhood, are they done by say one of our other departments in the city when they are granting new apartments within a building and finding out if there is more than one? Where are most of the calls generated?

In the past, say we were staffed at 7 people, are we asking our code enforcement officials to go out looking for things or are they following up from what spot; those calls from constituents, are they following up from our departments noticing that there is a code infraction and then sending them out? I was always under the impression that our code enforcement was sent out because they were sent out to investigate something not that they were sent out to look for things.

Alderman Sheehan

Thank you. What I was told is they are responsive rather than proactive. However, it is law enforcement; if you see somebody breaking the law, law enforcement officers should have enough time to respond to that. So yes they are responsive. From where it is coming I didn't ask for a breakdown.

Alderman Vitale

I guess I am just thinking because I know that we were down even further than we are now and the last report I heard was that they were being able to accommodate many more calls than they were say a couple of years ago, but not clear back to obviously having 7. For the department what do they think that they are missing? If we were going to discuss funding another position as a group, in my mind, we would want to know how far behind we are and how much does the department think they are missing that would be beneficial to the city to know; probably number one for safety purposes on having more than 1 apartment, but you know also environmentally so where there is encroachments and things like that, where is the department saying that they are lacking and what are they missing?

Alderman Sheehan

I have not gone to the department and asked them how many would you like. I don't think that is how we are set up as the Board of Aldermen.

Alderman Vitale

I think code enforcement is really important in the city and if we are going to have codes in a code book that we should know that we are going to be able to enforce the codes because if you are going to have codes and you are never going to enforce them why are they in the book. I agree that we should be enforcing those codes if they are there and then it becomes a point of what is the right number of people to enforce those codes in a city of our size. That is why I am asking the question what discussion has taken place between what we currently have and what our need is to properly enforce those codes that are within our zoning book.

Alderman Sheehan

As an Alderman I don't go to a department and ask what they would like their staffing to be. As a Ward Alderman I hear from my constituents that they want more code, they want more responsiveness, they don't want to have to be the eyes and ears for code, and that when there was more code there was more visibility of code and less illegal apartments, less graffiti, and less moving the line as far as what is acceptable and what is not.

Alderman Vitale

And I guess where I would stand is it is something that I would support if I knew what the tangible number of our need is. That is what I would look for as part of what I would need to vote on it.

Alderman Clemons

Thank you. It is my understanding that if we, and please someone correct me if I am wrong, but it is my understanding that we can approve this funding for more code enforcement officers, but that the Mayor has the final decision on whether or not we hire. Is that true?

Alderman Sheehan

Yes.

Alderman Clemons

So where does the Mayor stand on this?

Alderman Sheehan

She just informed me of that. She didn't really go into it any further, and that was 5 or 6 months ago when I originally started drafting this.

Alderman Clemons

So she didn't take a position one way or the other?

Alderman Sheehan

She reminded me that it is her decision whether or not to hire, that we can approve the funding, but it is her decision whether or not to hire.

Alderman Clemons

I agree, I think we need to have more code enforcement officers. I have thought that for a while and now the argument was made a couple of years ago that we had 4 and they were full time. I believe that one of them became part time this year and then there is another individual that is out on leave so we are ending up with 2 and a half I guess. In a city this size with the issues that we have...that was my issue to begin with was we were on the boarder of not having enough to begin with, with 4 and now we are in the situation where well someone is out and the funding for one of them is not there that we were counting on.

I guess where I stand on this is I will support this going through because the worst that is going to happen is that the money is just going to lapse back into the general fund at the end of the year if the Mayor does not expend anything. But if she does expend something then I think we are going to benefit out of that. I will support this going forward and I hope that the Mayor looks into seeing about getting at least maybe even just 1 code enforcement officer if not 2. We are facing some tough times and I think it could do some good for the city.

Alderman Flynn

I really don't know what the right number of people is either. I know that over the last few years we have created some efficiencies in that department certainly with improved software, GIS access I think out in the field and whatever. I think the right way to do this is for the department manager to convince his supervisor and the Mayor that they need people. I am not really enamored with this approach here just transferring money over and hoping that the Mayor will be convinced. I don't think that convincing should come from the Aldermen, I think the department manager whoever that might be, I think I know who he is, and he should be passing on to his supervisory and in turn the Mayor what the needs of that department are.

Frankly I think the Mayor has to come to a decision on whether she can fund that in years going forward as well. Certainly nobody is interested in having funding for this year but no funding approved in next year's budget so the Mayor really has a different level to look at these things to kind of remove herself and look at how it fits into the overall budget for subsequent years as well. I understand that you are convinced there is a need, but it seems as though we would be better served by having the department itself identify that need to the Mayor and the Mayor in turn convincing the board to put it into her budget.

I think once it is into the budget, we are very, I know I am and I think all of us are the same way, we are very careful about when we add new positions to the budget. This past year we only added 2 positions; the ERP Manager and the Emergency Management Manager. Even those one of them was a \$9 million project; obviously we had to protect that investment and the other one the Mayor had found most of that funding within the emergency management department by moving some funds around that were previously in there and moving them into an emergency manager position. I think this board and I think the Mayor take it very seriously before they would add a person on to the full time payroll as an ongoing expenditure for the City of Nashua.

I think we would be better served to have this work its way up the channels and have everybody agree that is the most sensible place for us to be spending an additional, in this case, \$100,000 a year, \$92,000 a year for full time payroll. I wouldn't support this.

Chairman Deane

When you look back on the financial note, this is really \$128,800 is what it ends up with once you pay the benefits along with the salary.

Alderman Clemons

Thank you. I just want to say, for the record, that it is a tricky position, and I understand where Alderman Flynn is coming from where it should come up the channels and that kind of thing, but if I had to take a guess, I would guess, particularly in this department, that it is very difficult to get that message through because I know for a fact, I have had conversations and I am not going to name names of with who, but I have had conversations where the response has been of course it would be nice to have more people working with me.

There is a large burden, there is a significant burden there in that department and really the only ones who suffer from that are those who need the services and the neighbors that have to deal with those that are violating the codes.

It basically comes down to this; the work that they do in a day is all they can do and at the end of the day it doesn't matter how long the list is of things, they are going to work their way through the list but that list is just going to keep getting bigger and bigger, and if they don't have the personnel there to do that job the only ones who suffer are the people that don't get attended to on the list.

It would be great if we could have the department come in and talk to us about this. I don't know if that was a possibility, if the Mayor would entertain that, but in my years on this board, the three years that I have spent on this board, it seems like you pull a lot of teeth to get somebody to come before these committees and talk to us, and particularly about an idea that stems from this board in relation to something that we would like to see done. This is the perfect case of that rearing its ugly head. I really wish that, I guess my wish is that there was more candor from the city employees as far as what they would like. That is why I am saying we should, at least in my opinion, send this to the Mayor and see what happens. The worst case that will happen is it will just lapse back into the general fund anyway.

Alderman Vitale

I think this is one of those places that there should be a little bit of communication going on between the department, the Mayor, and this board before we vote on something. When we go to talk about it for the budget we are always talking about how many employees do we have in any certain position at our budget season. If we are going to talk about adding in 2 people and then we come around to the budget and we find out that those 2 people are going to be taken away, I don't see the point in bringing a resolution forward until there is more conversation than this. I agree that the need for code enforcement is there just by the number of phone calls that I get and some of the things that I can see as I drive around the city, but that doesn't mean that I know the total needs of that department until we talk to the department and find out what those needs are.

It maybe takes a little bit of work, but in the end I believe the final result will be more complete, and if there is an agreement on both sides that yes we will be willing to fund those positions and yes the department agrees that what we are funding will be beneficial, but not more than what we need. We won't have the 7 that we used to have that at some point this board here decided was too many and cut it back to where it is now, but we can see from what has happened in the past years that wasn't maybe the right thing to do in the long run, but we need to have that give and take I believe before we get to the point that we are writing a resolution, that we should know what the Mayor believes, what the department thinks, and again, what we are going to be willing to spend for the budget because it comes out of all of our pockets.

Chairman Deane

Alderman Sheehan can I ask you a question? Did you talk to the department head about this?

Alderman Sheehan

It puts me in a very awkward position, puts the department head in a very awkward position.

Chairman Deane

I find that interesting because I believe Alderman Pressly raised an issue the other night about contacting Mr.

Galligani and someone else about I forget what it was, and the Mayor said you don't need to ask me for permission to speak with those folks.

I tend to agree with Alderman Vitale. I don't really agree with Alderman Clemons' position. I don't think we should be tying up contingency money to sit in...now it is established for a purpose that, although your position might be paved with good intentions, there it will sit if the administration doesn't pursue implementing a hiring process for those positions. Now you will have \$92,000 that may be needed for another purpose or even reducing the tax rate or whatever is now tied up, although it will lapse back into the general fund.

I think if there are issues I think we should have an analysis from the department head about what tasks aren't being completed and within reason what requirements are there for the department to keep somewhat of an even keel with the supply and demand of the requests upon them. I think it would be good to have an analysis on that, get a better understanding before we go tying up any money. I would contact, I don't know who the department head is, is it Mrs. Hersh? Is she the department head?

Alderman Clemons

Yes.

Chairman Deane

I would call her up and go talk to her. I worked with her on things she will talk your ear off about stuff. You should be able to see the amount of requests and the workload and things of that nature to better understand what the needs may be and what currently exists.

Alderman Wilshire

I agree with a lot of that. I think part of the problem is there is an issue out there. There are a lot of things that are going on in this city that need attention. I don't think the 2 people or 1 and a half people we have are ever going to get to the end of their list as Alderman Clemons said. The other problem I see is that there is no one around nights and weekends when a lot of this stuff is going on. I got a call last week about somebody with a big payloader parked in their front yard after work, after 5:00 o'clock and then on the weekends. I did call code enforcement and they did handle it, but there may be a gap there. There may be some need to have people that work a little bit later into the evening or Saturday morning or something to that affect. I'm just throwing that out there.

Alderman Cookson

Thank you. I would just add that I do agree with you Alderman Deane that there needs to be some stats or some analysis done, and I think CitiStat might be able to offer us some information as to how efficient or effective our code enforcement department is. I'm not sure if they are going to get to the end of the list, but they might with the resources that they have. I just don't know. CitiStat might be able to provide us some important information to determine how efficient and effective our department actually is.

Chairman Deane

Thank you.

Alderman Clemons

I actually agree with Alderman Vitale and yourself Alderman Deane about the need to get the department at

least to come and present something to us. I understand that there probably is a need for this. The problem that I see happening is there is going to be that interference question that is going to come into if we invite Mrs. Hersh down here is she really going to be able to answer our questions openly, I don't know. That is the problem.

Chairman Deane

Under that section of the Charter we can recommend and suggest. We can't give directives so I don't see an interference problem, but I understand what you are...

Alderman Clemons

But can we get honest questions answered.

Chairman Deane

I wouldn't call any city employees dishonest. Is Mrs. Hersh going to feel comfortable sitting here answering our questions if she comes...

Alderman Clemons

That is what I am getting at.

Chairman Deane

...I don't know. I wouldn't want to answer that question, I'm not Mrs. Hersh.

Alderman Pressly

Thank you Mr. Chairman. Going from m7 to 2 or 2 ½ is an enormous amount, something has to have been neglected in going from 7 to 2 ½. I feel certain we need something. As far as code enforcement, one of the biggest issues is the number of units in a property and Alderman Sheehan mentioned my neighborhood; that was the home invasion that developed that there were two units there. What is interesting coming into play, what is the relationship and the starting point when you do suspect that there has been a unit added or a property that is approved for 2 has squeezed in 4 that sort of thing. Often times, if I understand it correctly, the Assessing office will pick up on that.

Apparently when they drive around they will notice more utility meters outside so who does that? Do they then report it to code? Does code then go in? Somebody has to have the authority to actually go in and inspect the property. I know that portion has to be beefed up. We need some thing. From 7 to 2 ½ just seems totally unreasonable to me.

Chairman Deane

We can always have the mailman do it.

Alderman Pressly

That is true the milkman, mailman.

Chairman Deane

He knows when there is an increase.

Alderman Vitale

I agree with a couple of things you just said there and I know some of how we can do code enforcement having sat on the Planning Board with this board and having been appointed to the Zoning Board is that when those boards work and they are approving new things, they in their approvals also have to make sure that you can enforce those approvals so when they look at a property and it is being subdivided from 1 into 2, those in-law apartments and everything, they have to make sure they we can follow up on them and we know what is there and what is enforceable and everything. That is why I am saying this happens to be one of those things I think that we really need to work together on, we need to know what we need as a city as far as staffing, no doubt weekends, evenings, and everything. It is just that I personally would really like to know what that number is, and I think we need to have some communication back and forth to come up with the right number and what our needs are.

Chairman Deane

Later on this evening we will be taking up O-10-39, which defines an analysis, it says: “an analysis is defined as the process of breaking down a complex topic or substance into smaller parts to gain a better understanding of it.” which is I think what we have to do with this scenario.

Alderman Sheehan

I wanted to add a little bit and I understand that an analysis and that sort of thing is very good to have, it is very useful. I think it would put employees in an awkward position to say do we need more, what percentage of calls are you not responding to, because now does it reflect on them or does it reflect on the department. I think we are putting them in a position where they have to defend their work when they are doing maybe as best they can to keep their head above water. Can code enforcement find something; a lot of times with these illegal units, that is theft of service. If we are not getting paid property taxes on additional rental units, if you have one rental unit that isn't paying its taxes and say it is even only \$1,500 or \$2,000 a year but it is a 2 bedroom and they have 2 kids going to school, bam all of a sudden we are up to \$25,000 a year without even counting have they ever called the police, do they need their road shoveled, how many extra times are they using city services. It is very quick and easy to make up this, but it goes to the analysis; how do we measure that? How many times when they catch an illegal apartment are we getting back taxes? Can we do that? This is ongoing and it is costs that are very hard to analyze.

Some things are just no brainers and having no code enforcement costs other things that are very hard to track and manage so as much as I would love to say why don't we have the employees in here to tell us how long it takes them to respond, how many calls they don't respond to, what is their escalation process, they are giving a road map to how to beat them for one thing and a lot of that does need to stay confidential, and it is putting them in a very awkward position so I think some analysis would be great, but I think some common sense is if you look at other cities and populations similar to ours and you see that their code department has much more; I think Manchester, it has been a while so I forget off the top of my head, but I wanted to say they have 9.

We're not really talking about quadrupling a budget here. Finding 2 illegal apartments pays for a code enforcement for a whole year with the other things that it does end up costing. I just want to remind people that we can analyze something for the sake of analysis, but some things are just common sense, and I think this falls in that category.

Chairman Deane

I think we all have common sense...

Alderman Sheehan

I am not saying people.

Chairman Deane

...contrary to other people's beliefs.

Alderman Cox

I, as everyone else that has spoken tonight, agree fully the importance of our code enforcement, but to get back to Alderman Flynn, I think we need more compelling information too. This is very short term funding amount although necessary, I think I would like to see more compelling information to okay what is this going to be used for and how do you want to fund it and what do you want to fund moving forward.

MOTION BY ALDERMAN COX TO TABLE UNTIL ADDITIONAL INFORMATION CAN BE PROVIDED

ON THE QUESTION

Chairman Deane

So basically you want an analysis done it sounds like to me. The motion is to table.

Alderman Pressly

Non-debatable.

Chairman Deane

Non-debatable.

MOTION CARRIED

R-10-77

Endorsers: Alderman Jeffrey T. Cox
Alderman Mary Ann Melizzi-Golja
Alderman Diane Sheehan
Alderman-at-Large Lori Wilshire
Alderman-at-Large Ben Clemons
Alderman Kathy Vitale
Alderman Paul M. Chasse, Jr.

**RELATIVE TO THE TRANSFER OF \$615,703 FROM ACCOUNT #581-19210
"SCHOOL DEPARTMENT, SEVERANCE" INTO ACCOUNT # 981-5323
"SCHOOL RETIREMENT EXPENDABLE TRUST FUND"**

MOTION BY ALDERMAN COX TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Deane

I would like to ask Mr. Donovan to speak to this.

Daniel Donovan

Basically what the administration and the Board of Education would like to do; as you recall in FY10, we had \$1.8 million of severance costs so in the FY11 budget we budgeted conservatively and budgeted at the \$1.8 million level. It looks as though the actual costs for this year will be about \$600,000.

Chairman Deane

How many retirees is that about 11?

Daniel Donovan

It is more than that. There are 11 or 12 teachers with the \$33,000 - \$35,000 amount, but then there are a number of other people that retired at smaller amounts; clerical staff and administrative...

Chairman Deane

So the \$33,000 to \$35,000 is what they are leaving the school district with for accrued sick and whatever other time they have?

Daniel Donovan

Teachers with 100 sick days leave with \$33,000 to \$35,000 assuming that they are at the highest grade yes.

Chairman Deane

Okay, but that basically was the average, okay. Thank you.

Daniel Donovan

We are at that \$1.8 million so we would need about \$600,000, which left \$1.2 million, but as you recall when we were working through the budget issue last year we had the study halls with the high school teachers so basically the Board of Education said we don't want to go through with the study halls so we took \$500,000 from this severance account and replaced the high school teachers therefore reducing the need to have study halls at the high school at all. That basically left us with about \$700,000 left in this account. What we would like to do is take \$600,000 of that \$700,000 and move it into the fund that you mentioned.

When we look to budget this it is so variable from one year to the next and we have to make the decision on the budget in January/February for decisions that aren't made until the spring. I think having a reserve like this makes a lot of sense. I think it is good budget policy, I think it is good accounting policy. I just think it is probably the right thing to do.

Chairman Deane

I remember discussing this when they came in with the original \$1.8 million. My position was that it was way over-stated.

Daniel Donovan

Yes.

Chairman Deane

And it was, and we didn't...

Daniel Donovan

Well it turned out to be, but it...

Chairman Deane

I got the analysis that was done on those who were eligible for retirement and I believe I had predicted no more than 15, and it ended up being like a dozen or 13 I think total, 13-15.

Daniel Donovan

I have the numbers now, but...

Chairman Deane

It was close to 15. What is your balance in your account right now? You said \$700,000 that is what is in there?

Daniel Donovan

Yes.

Chairman Deane

So you want to move \$615,703? Why such an odd number?

Daniel Donovan

There is actually another...I didn't bring the sheet with me, but there are a couple of other things. When we did the budgeting this year there were some miscommunications between the school department and the city related to a couple of small items. I don't know if they were small items, there were for example the portables and the insurance, and the \$99,000 related to the Medicaid collections. But the portables just weren't budgeted. They had been historically budgeted in the 681 and they just weren't budgeted in error, and I'm not here to point fingers or anything. So between clearing those up, those accounts where the city took some of the insurances, we kept the \$99,000, we kept the portables, we took some of those funds. That is what that difference is.

Chairman Deane

Is that going to go on forever now? Obviously they will correctly fund the portables this year I would hope.

Daniel Donovan

Yes.

Chairman Deane

But what about the insurance?

Daniel Donovan

The insurance that is something that I will be discussing with the financial staff here at the city to decide what we are going to do. I don't think we have a decision yet, but that is on the plate to talk about in the next couple of weeks as we put our budgets together.

Alderman Cox

I would just like to add a caveat to that, the ending piece where he ended is moving it into this account will ensure that it will be used for severance retirement only and can not be utilized anywhere else in the budget for any other reason.

Alderman Flynn

Thank you Mr. Chairman. This really ensures that this money will be used for school retirement, but that means that other money that we allocate in next year's budget could be used for other things. In other words, we could allocate next year \$1.2 million because they present a need for \$1.2 million worth of severance costs, the actual cost could be \$1.2 million, it could be a perfect match, and yet they could move this \$600,000 and use it for retirement costs and the other \$600,000 that is appropriated in a line item could be used for anything. It could be used for textbooks, could be used for teachers, and could be used for seminars or more cell phones or whatever it is. That doesn't ensure that other money that we appropriate for school severance actually gets used that way.

What I wanted to ask is I'm a little surprised, I understand the idea of putting money away as a rainy day fund, but I was hopeful that the school department would be interested in returning more funds to the city. We did have that \$3 million that we found a way to pay for these unexpected expenses, these invoices that money was spent just before you came to assist us as COO. At that time, I think there was probably not a genuine intent, but there was some dialogue about the school department having some interest in trying to repay the city some of that \$3 million as a recognition that the city really was put in quite an awkward position to have to deal with \$3 million at the end of the year unbeknownst to us or up until the last month or month and a half.

Last year I think we only got like \$100,000 or \$120,000 back from the school department on an \$89 million budget. I think we expected to get \$500,000 or \$600,000 up until the very last minute, and then as things turned out other appropriations were made. I am not sure how it turned out. Maybe you could refresh us on that, but other appropriations were made on that CTE fund I think it was. In the end, all we got back was \$100,000.

I would prefer that this money at this time just get returned back to the city and go back into the general fund and can be used where it best makes sense or could be used to reduce the tax rate. Could you speak a little bit to that thought process?

Daniel Donovan

Sure. To the \$600,000 all we are trying to do here...we can guess every single year at what it is going to be and we can budget \$1.8 million and we will maybe always have extra money, maybe we won't. We did spend \$1.8 million once. We can budget it \$500,000 and if it turns out to be \$1 million where are we going to come up with the extra \$500,000? In the budgets that I am putting together for the school department, there is no excess \$500,000 I can tell you that right now. Eighty two percent of our budget is salaries. I budget, if the teacher is going to make \$65,606 that is the number I budget, I don't budget \$68,000. I budget exact numbers for exact teachers so for the 82% we are budgeting dollar for dollar so there is certainly not \$500,000 excess.

All this is trying to do is even this off. As Alderman Cox said it will be used for severance and severance only. If the State were to make some sort of a change in retirement and suggest maybe there would be a less amount going forward, I would guarantee there are plenty of teachers that are eligible to retire and probably would so how would we deal with that? I just think having spent most of my life in the financial area, if I were managing a business or a city whatever, this is the kind of account that I think you really need to have unless you are going to find another way to come up with extra money when you do have a significant retirement event like we did just two years ago.

Back to your points Alderman Flynn, when I came on board last year I told everyone and I think you could look it up in Board of Education or Board of Aldermen minutes, that I was hoping for about \$200,000. I never said \$500,000 or \$600,000. If that was a number that was out there then maybe that was somebody else's opinion. I was struggling mightily with the budget that I did not put together that I was just trying to manage to the point to make sure that we didn't run into the same situation that we had the previous year. From that point of view, I think we as a group did reasonably well.

There was some discussion around the CTE. That is something that if you want to get into the details of that we could talk about that generally, but other than that there were no appropriations or anything like that and even with the CTE there were not appropriations made, it was just where charges were charged so to speak. But there were no appropriations; there was no moving of things around.

Alderman Flynn

My take on the CTE was, and I think we will discuss this when we come forward with the budget this year, how we can really understand what the truth is or what a true analysis might be on some of these I think they are expendable trust funds is probably what they are for the school department.

Daniel Donovan

Special revenue...

Alderman Flynn

Special revenue funds that is what they are. But there were certainly appropriations in the budget book. The appropriations never got made. I am sure you did have those teachers, I am sure you did buy those textbooks, but it appears that it was bought out of the city funds rather than the special revenue funds so it is kind of the same thing that happened here; the funds were there, they could have been used, but city funds

were used in their place is what it appears to be. That is what I am afraid is going to happen to this money as well.

I really think it would be an opportunity for the schools to return some money back to the city. Like I say last year was \$100,000, and I really don't remember where the \$500,000 came from. You might have always been at \$200,000, but I think I have been to a couple of meetings. I don't really know where I got that number from, but maybe it was just from doing an analysis including the additional special funds. But to me this would be \$600,000 that is probably 4/10 of 1% against the tax rate. That is a lot of money. We have been very, very, I personally, I voted for the \$3 million. I certainly wanted you to pay your bills even though we didn't think you were going to have those bills. And then when you needed additional funds I think you came forward right away and needed additional funds to get that school year off and running. Certainly didn't blink, I agreed to fund that as well. I voted yes on both of those counts, but now on the other side of it when you have some additional funding that you really don't need in this particular year, I would think, from my side, it would be more appropriate to return this to the city.

The full Board of Education are they unanimous and this is what they want to do as opposed to returning the funds to the city?

Daniel Donovan

Yes.

Alderman Flynn

Thank you.

Alderman Pressly

Thank you Mr. Chairman. You referenced the year that the severance was so high and due to the change in State law. I think if there were an error at all it was that it was sort of predictable. People saw it coming and they knew that there were going to be more people retiring. This year there are also rumors flying. Have you reviewed all of the titles to the bills that have been submitted? I think all of the titles are in. Are there any suggestions that they are going to be changing it and that could happen again this year?

Daniel Donovan

I have not reviewed all of that yet no.

Alderman Pressly

Ooh...

Daniel Donovan

Not to say we won't just have not at this point in time...

Alderman Pressly

Okay.

Daniel Donovan

...we are still working on the budget.

Alderman Pressly

Oh okay, and maybe the school department shouldn't do it, but somebody at the city should be checking that out because we have had quite a change over at the State House. It is an extremely conservative and there are lots of rumors flying that they are going to be cutting a lot of the benefits. This could again be a big year of extra severance, extra people retiring. It seems to me one time fooled shame on ...what is that old saying?

Chairman Deane

It is so old I forget it too.

Alderman Pressly

I forget it too, but if it has happened once it could happen again and this could be the year so I hope somebody is checking that out for you.

Daniel Donovan

We will review that, but once again all the more reason to have some funds put aside for that because as I said before, if we budget a number and the number is significantly higher is the city going to step in and give us the money. If that is how the city would like to deal with it then I would be willing to certainly discuss that, but there is just not an extra, my example of \$500,000, in the budget somewhere that I can take it from.

Alderman Pressly

I believe the Mayor has a gentleman that checks the...

Chairman Deane

Mr. Alukonis. He was just hired by the Manchester Mayor and Board of Aldermen.

Alderman Pressly

That is what I have heard. That is fascinating. I would think there would be a bit of a conflict there.

Chairman Deane

I hope he doesn't confuse the positions of the two cities.

Alderman Pressly

The tale of two cities. But I think we should ask Mr. Alukonis if he would please check that. That is significant for the city, if there are going to be some changes in retirement benefits across the board. I think it could happen this year at the State House.

Alderman Cox

I would just like to say that I would highly recommend going against giving the money back to the city, and I know it is a statement that Alderman Flynn would like to make that we got money back from the school department, but going back to his earlier comments he stated that when we budget that money for severance retirement it can be used for anything when in that account. This money is going to be shifted for best planning next year, into an account that can only be used for severance and retirement. As stated earlier by Mr. Donovan, it's best planning. You are planning in January/February for something that is not going to happen until late spring and sometimes even later. How much time do they actually have to declare?

Daniel Donovan

If they put their paper in by 15th of February they can retire any time they want. Now the reality is most teachers won't leave in the middle of the school year unless it is for a medical reason.

Alderman Cox

I just see the strong sense in the fact that we want this money being used for that purpose so if they give it back to the city and then they ask for another \$1.2 million next year to go into that severance account you are putting it in harms way as Alderman Flynn said he did not want to see it happen. I agree. Thank you.

Chairman Deane

But let's not be confused by the fact this board can drain these accounts and spend it on whatever they want. We did it already. I set up a number of these accounts for pension, for healthcare. If you go back in time and look at some of the legislation that was passed, there were hundreds of thousands of dollars taken out of those accounts and spent on other things so just because it is placed in here, we still have the authority over the account, the Board of Education does not. It is us. So we can take that money out of this account and use it for other purposes if we care to do so.

Alderman Cox

We could.

Chairman Deane

Absolutely.

Alderman Cox

Not the Board of Education.

Chairman Deane

Right. It doesn't say that they are the trustee of the account. If they were to be the trustee of the account it would be one thing, but that is not the case.

Alderman Cookson

Thank you. Mr. Donovan would you help us understand what either your philosophy is or the school district's philosophy will be this year with regard to the severance line item and how you are going to predict or forecast

what you are going to ask for an appropriation for that particular line item in light of if this account is set up with the \$600,000?

Daniel Donovan

Well if this account is set up then we certainly don't have to be as conservative as we were last year. Last year the \$1.8 million was the number from the previous year, we were very conservative with that. As time went on, we could see that it probably was higher than we needed. We will do the analysis this year. We have begun that process already, but as I said it is really difficult to get the number this early on in the process. The number becomes firmer as we move through the spring, but we are required, for timing, to get the budget out sooner than that. But obviously if there is \$600,000 in this account then it certainly is not going to be \$1.8 million.

Alderman Cookson

Do you see a cap on the expendable trust fund? Do you see it growing to a certain point or is there no cap?

Daniel Donovan

I wouldn't see it being you know would we add to it one more year, maybe. I could see it building up a bit more than it is now. I haven't really thought about that, but it certainly wouldn't, I wouldn't build it up to you know \$1.8 million or that sort of a level.

Chairman Deane

There is no cap on it currently, the language has no cap.

Alderman Cookson

That is correct.

Daniel Donovan

Okay. I didn't really think of a cap when we were talking about this.

Chairman Deane

Some of them like the snow account we set up we took a portion of unexpended appropriations from the street department and placed some of them into the expendable trust fund for snow removal so when you have those really bad winters and things like that and then the balance went to reduce the tax rate, but we had a cap on that. I think the original cap was like \$200,000 and we raised it through legislation up to \$350,000. This has no cap on it. There is no limit.

Daniel Donovan

Okay.

Alderman Cookson

Thank you. So the intention is with this expendable trust fund is to keep it as a rainy day or slush fund, you

are going to go ahead and fund the severance line item at an appropriate level, and only use this when needed if it exceeds that severance line item...

Daniel Donovan

Exactly.

Alderman Cookson

...and other than that you are going to retain this expendable trust fund.

Daniel Donovan

Yes. We would not use it for anything else.

Alderman Cookson

Thank you.

Alderman Clemons

Thank you. I'm in support of this legislation. I think that it is completely appropriate to have money set aside for a rainy day particularly in this instance where there are two compounding problems and one is the fact that teachers do not have to pretty much the whole district could submit something that says they want to retire and there is no way to force them to say okay this is the cutoff date so that we know. It is really hard to budget. With the constant struggles up at the State House in regards to what they are going to do with the retirement system it creates an almost impossible situation for us to predict what is going to happen because if folks are going to lose a significant benefit if they don't retire then it doesn't make sense for them not to, then they are going to and that is what happens when you have these years where we spend \$1.8 million on retirement. I think having this makes a lot of sense.

In regards to whether or not...I understand that this board can move the money around if it so desired to, but I think the point is that the argument is always come budget time is that once we give the money to the Board of Education they can do whatever they want with it. What I like about this is that this is money that is controlled by this board and if the Board of Education or the administration needs money from it they come to us and say this is the need. We kind of gain that control over that, and I think that is an important aspect.

Again, I support this and I think it is the right thing to do and the right way to move forward. Thank you.

Alderman Pressly

Thank you Mr. Chairman. I was just going to say that most of the titles for the bills should be in now. That means that people at least know if there is an effort to change it. That means it hasn't been heard or voted on, but that at least gives you an idea that there are so many efforts by so many different legislators to change that. I would think that the Department of Education is tracking that or the Government Center. Somebody should be doing that. That would be an enormous indicator of if there is going to be an increase in people retiring.

Chairman Deane

I am sure if you called Bob Sherman up he could let you know. Be would know.

Alderman Pressly

He probably would or the Department of Education or the Government Center should know this too.

Chairman Deane

The Teachers' Union. You don't think they are looking at all of that stuff? Make him do the work, make him work for you.

Alderman Pressly

But I mean I think it would at least give you a better feel for what might be happening. Those indicators should be out there by now.

Alderman Vitale

I just wanted to follow up on something Alderman Cookson said just so I can make sure I understand this correctly. This would help basically to have a more balanced planning for what actually happens in this account so if we have this expendable trust fund there might be a year that you would budget an amount in the severance account and we need more money than that so we would go to this account as that slush fund. We mentioned that you weren't thinking about a cap at the moment and you might add to this account so say this year you budget your severance account and you don't quite use it all, would you look to add a little bit more to this or is that money that if we didn't use all of the severance account would we return that to the city? So there might be some years on the high and some years on the low and hopefully you always balance it exactly but we know that doesn't happen as often as we would like. And that would be at what point would you not have to do that? Is there a need for the cap or would you just automatically as part of your process return that to the city?

Daniel Donovan

I would manage it on an annual basis. The cap like I said it is an idea I didn't think of. I don't think anyone else thought of. It is a possibility to do that. I wasn't thinking of it that way I was thinking of it as a tool that I would use each year to cover those, just as Alderman Deane mentioned the snow emergencies; do we know when it is going to snow no we don't know that, do we know when people are going to retire, we don't. Same sort of an account. Obviously if it got to the point where it was too high I would probably significantly decrease my severance in some year. If this account let's say got to \$1.2 million why would I need to budget anything in severance, but I would hope I could manage it so it wouldn't get that high in the first place.

Alderman Vitale

okay.

Alderman Flynn

Well what this does do is it helps next year's budget going forward because you don't have to re-appropriate the money. It is always attractive to return it to the city, put it into the general fund, and then it has to be re-appropriated. It really gets questioned moving forward rather than whatever we put down this year we are not going to return anything to the pot we are going to put it into one of these little funds over here on the side. Quite frankly when we looked at trying to use more money to offset the tax rate there was a reluctance to do that because we didn't want to go below a certain percentage on our unallocated general fund, but quite frankly when you have all of these monies in all of these other little pockets it makes that argument harder to

wrap your hands around because you don't really see what the true funds are that are out there as true contingencies for the city.

To me, this would have been an ideal opportunity to give something back and I'm very disappointed that apparently is a strong consensus on the school board to go exactly the other way.

If you really wanted to put it there as a policy you have already kind of used \$600,000 of it in other places this year. Your resolve is kind of at the end of the cycle rather than up front when you saw what your needs were for school retirement. You seized the moment and used apparently \$500,000 or \$600,000 of this for those other unfunded venues. It is what is kind of left over now that makes sense to put towards this rainy day fund. Again, it just looked like it was a great opportunity to return something to the city especially after the general consensus of this board and like I say I certainly was in the popular side to give the school what it needed to pay off its old debt and to give it the additional money that it needed to get through that subsequent year. I'm still trying to come to grips with why I would vote yes for this. Thank you.

Alderman Vitale

I can understand the want to have things returned to the city, but I can see the value in this because even though we want to have things returned to the city for something that happened, to me this is one of those places that you step back and you are planning for the future versus we know what happened and this is planning for the future and future budgets and get past that part about we took care of something, the city as a whole took care of something between the Board of Aldermen and the Board of Education and the two budgets and this will be planning for the future. Even though it is nice to get something back maybe with this type of planning it will help some of those future monies to come back to us. It maybe is just not part of this and this is good future planning.

Alderman Flynn

It may be that...I don't know what the priorities are at the school board, it may be that they are considering, I don't know if they find value in it, doing something with the language so that we get some better information up front as to what the severance pool of people is as we get closer to the end of the school year. I don't know if that is even something the school board finds of value, but it might be something that would help your predicament of trying to put a more reasonable number out there for what is anticipated for expenditures.

Chairman Deane

I was always a strong supporter of expendable trust funds. I always looked to contingency situations. But then I sat here and watched as this board drained all of those accounts, went out and spent the money on other things. So if you for one minute think that this is ...I thought as you did Alderman Vitale this is kind of a failsafe for unanticipated circumstances, but it was the wisdom of the majority that decided that wasn't the case. The money was taken out and used for other purposes.

The other thing Mr. Donovan is that CTE issue is an issue. Those accounts had never been set up appropriately. You know it, Mr. Conrad knows it, and nothing is being done about it, and that is kind of...

Daniel Donovan

We're working on that now.

Chairman Deane

That has been going on for years, years. I know you weren't here.

Daniel Donovan

I wasn't here.

Chairman Deane

But it is just when you know that something is not right I mean really not right, it should be addressed. And I know there are a lot of things on Mr. Conrad's plate as well as yours, but when you look at what the original intent of the CTE is and what State law says, and what is being done with that money, it is contrary to what the law reads. Those accounts were never set up, they were never set up through legislation, and that needs to be done.

Daniel Donovan

Yes. That is being worked on.

Chairman Deane

I never got back to him because I think I copied you and him on an e-mail about it. The next thing I knew the entire world was on distribution, and for the life of me I can't understand why that goes on, but I find that kind of disturbing. But it would be nice to get an update on that if you happen to run into Mr. Conrad.

Alderman Cox

I was just going to speak to that very briefly. An attempt to bring a solution to this was brought forward several months ago. Legal and the Finance Office have had a tremendous amount of problems getting back to the beginning and how this was done, why it was done certain ways, and whatever. They have been delivering constant updates and I hope to be able to bring something forward very soon.

Chairman Deane

If you go back in time and look at the minutes that were recorded in this room and the remarks that were made by the members of the Board of Education, the CTE was set up for depreciating capital strictly. It wasn't payroll, it wasn't health insurance, and it wasn't any of that stuff that it is being used for. It was for depreciating all of the items that are used in the continuing education; tools and computers and all sorts of...

Alderman Cox

Lifts and...

Chairman Deane

...things like that that after a while they are obsolete...

Daniel Donovan

We have done like I said I am not ready to report to this board, but there has been a lot of work done. We

have put together a list of the equipment there has been a number of things done. As Alderman Cox said you will probably be hearing in the next month or two about it.

Chairman Deane

Okay. That is great. Is there any other discussion on this? The motion on the floor is to recommend final passage of R-10-77.

MOTION CARRIED

Chairman Deane

Thank you Mr. Donovan.

Daniel Donovan

Good evening.

R-10-79

Endorser: Mayor Donnalee Lozeau
Alderman Diane Sheehan
Alderman Jeffrey T. Cox
Alderman Mary Ann Melizzi-Golja
Alderman Michael J. Tabacsko
Alderman Richard LaRose
Alderman-at-Large Barbara Pressly

**RELATIVE TO THE TRANSFER OF \$70,000 FROM ACCOUNT #591-86005
“CONTINGENCY, GENERAL” INTO ACCOUNT #699-07 “WATER SUPPLY
ACQUISITION”**

MOTION BY ALDERMAN COX TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Deane

The current available balance in the general contingency is \$300,000 so this is going to bring it down to \$210,000. Resolution 10-66 has \$92,000 of that tied up too that can't be utilized so that would bring the general contingency down significantly, just those two resolution. Obviously this is to pay the additional costs in connection with the Pennichuck Water Works acquisition. Is there discussion?

Alderman Cookson

I'm just curious why we don't have an itemized list of what those additional costs are that account for the \$70,000.

Chairman Deane

I can ask the Mayor for a list if you would like. I will ask her for a list.

Alderman Cookson

Thank you.

Chairman Deane

Is there any other discussion?

MOTION CARRIED

R-10-83

Endorser: Mayor Donnalee Lozeau

CREATING A SPECIAL REVENUE FUND FOR EVENTS AT HOLMAN STADIUM

MOTION BY ALDERMAN SHEEHAN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Clemons

Mr. Chairman you and I spoke briefly about this between the two meetings. I just wanted to state for the record that the intention of this is not to fund the fireworks program every 4th of July out of this.

Chairman Deane

That is correct.

Alderman Clemons

Just wanted to make sure that was clear. Thank you.

Chairman Deane

The intention is to garner up enough funds to have some seed money for future upcoming events at the stadium; give them a little working capital to get events in. As we know if you go to hire someone to come in and do a function or an event usually they want a deposit because they are setting up their time and moving their people and things of that nature. This will give them, I believe the Mayor told me the baseball team was paying a lump sum of \$22,000 up front so that will be their seed money and as money rolls in through ticket sales, not with the baseball team, but then there was in the contract with the concessions with the baseball and the other events that the city has, but the intent has nothing to do with the 4th of July fireworks.

Alderman Clemons

Thank you.

Chairman Deane

You are welcome.

Alderman Cookson

Thank you. So in your commentary just now you mentioned the \$22,000 from the collegiate baseball league.

Does this special revenue fund need to be established prior to the acceptance of the \$22,000?

Chairman Deane

Yes. It needs an account to go into yes.

Alderman Cookson

Thank you.

Chairman Deane

Or it could be accepted and dropped into the general fund.

Alderman Sheehan

I just have a question with the collegiate baseball coming. Do we know when that started, when we started looking at that?

Chairman Deane

I believe it is in July and August.

Alderman Pressly

Thank you Mr. Chairman. How much each year does it cost to pay down the bond for the work that was done there, and that money is that separate, does that just come out of general revenue or...

Chairman Deane

Right now it comes out of the general fund, out of the tax rate. We have been paying down that bond. There is another special revenue account for the stadium, which is the two cell towers that are by the side of the first and third baselines. That money is used to offset the cost of items to maintain the stadium with; all of the products associated with maintenance of the stadium including grass seed, fertilizers, helps pay for the water, lights, and all of those other things. The bond payment I think it was like \$4.9 million, I forget exactly. It was two different projects they did. The events that we had there this year and this event is not really touching a bond payment.

Alderman Pressly

It seems like for Holman Stadium they really made an effort to keep all of the expenses separate from what you have described. This will not be co-mingled. Whatever revenue comes to this it will be focusing on bringing in good programs for Holman and it will in no way be co-mingled with paying down the bond.

Chairman Deane

Right.

Alderman Pressly

Okay.

Chairman Deane

I think the revenue this year was like \$70,000 all year between all of the events. They had 108 baseball games in there I believe. This collegiate baseball league should bring in some revenue maybe from the concessions and then the concessions with the 4th of July we will get a part of. It will be interesting to see what happens. They are looking at having some concerts there and things like that, which should bring in some revenue.

Alderman Pressly

I was just curious. I do support keeping the money there so that they can enhance the programming and get some good stuff going there. I just wanted to know if there was any interaction between the two fundings.

Chairman Deane

Not that I am aware of.

Alderman Pressly

Thank you.

Alderman Cox

Just a quick point; very late start last year. It is still good revenue, but, and I think you worked on it Alderman Deane, a great comprehensive plan put together moving into the future. I look for Holman to be a great productive community place for the next few years.

Chairman Deane

It should be interesting to see what happens. We had a lot of baseball in there last year, which was good.

Alderman Flynn

I think I'm reading this either appropriately or I think you can read it more than one way perhaps, but it says any purpose in this fund shall be expended only after a vote by the legislative body to appropriate a specific amount for a specific purpose. I think you might lose that vote as soon as you vote on the city budget. The way that is worded, it technically you are going to have a place in the budget book that is going to have revenues for this fund and then you are going to have some kind of expenditures, which might just be something very broad and general like Holman events, and if you approve that budget that is the one vote that you had to decide how this money was going to be appropriated.

If they want to spend more than that on Holman events perhaps if someone were to put in the budget book \$21,000 and they decided they wanted to spend \$23,000 it sounds like it would have to come back to the board for the additional appropriation, but if the income is \$23,000 and they appropriate \$23,000, they don't have to spend the \$23,000, but you may have lost all of your say or your vote based on that verbiage that is in here. Not that I'm a hound or craving for more authority to control that, but I am saying that I think your vote that they are talking about here is your vote when you approve the city budget is going to be the main control over how much money is put into that fund and probably your last chance to speak on that money. Just a comment.

Chairman Deane

Even though that is the case, I know that the intent behind it was to use it for seed money for events. That is what it was for. Right now they are out pursuing different events and they have no funds to actually latch onto to anybody.

Alderman Flynn

I have no objection to that, but normally I look and I think this committee would look at who is the agent authorized to expend, and looking at this it sounds like it is the Board of Aldermen. I think your authority will be at the time that you approve the budget that will be your legislative vote.

Chairman Deane

It will be added to the blue pages.

Alderman Flynn

Right. That will be your only chance to do that, but I don't have an objection to that either I just wanted to get the word out.

Chairman Deane

Is there further discussion?

MOTION CARRIED

NEW BUSINESS – ORDINANCES

O-10-39

Endorser: Alderman-at-Large David W. Deane
Alderman-at-Large Mark S. Cookson

**DEFINING AN ACCOUNT ANALYSIS, EXPANDING WHEN AN ACCOUNT ANALYSIS
MUST BE PERFORMED, AND CHANGING AN ACCOUNTS ANALYSIS REPORT
DUE DATE**

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Chairman Deane

It is my opinion, any time we ask for an analysis especially a financial analysis; there is really no meat behind the action. We will get the financial summary in the back or the fiscal note and it will say the account had \$9,000, this resolution takes \$5,000 out, you have \$4,000 left. I have always wanted to understand why this area was being targeted and what the net affect is down the road and what sort of peril we may have or things of that nature just for a better understanding so that when it came through with a fiscal note as part of the analysis, the analysis would give reason of why the action was being suggested through legislation.

I think far too many times we vote on things not really understanding the total net affect that could happen to us down the road. I think it is important to everyone, whether you agree with something or not is beside the

point, is understanding how the idea was born and why that area is being looked at and what the net affect is other than simple arithmetic that we are accustomed to looking at all the time.

Alderman Sheehan

I would like to make a move to amend. I like the concept. I think we could add something to it that would help immensely. I will explain first what made me think of this. As we did a financial note of none attached to lifting the overnight parking ban, however, there was a very direct and measurable impact with the number of tickets and revenue that we had. So although the fiscal note said none, an account that we had generated over a quarter of a million dollars consistently in was not reflected so I would like to add after the period after “on the ~~reserve~~ account.”...

Chairman Deane

What section are we in?

Alderman Sheehan

I'm sorry. In § 5-19. Necessary procedure for passage. The first sentence has a period after the word account, which before it has a struck-out reserve, either a semi-colon or whatever grammatical inclusion it needs to be because it is a run-on sentence to include “and direct impact to any other accounts”

Chairman Deane

When I was a little kid, my father majored in English, he has a Masters in English, he used to threaten me with coming in to giving a thesis on the proper use of a semicolon. He was telling this to a kid in the 3rd grade.

After account, “; and direct impact to any other accounts”?

Alderman Sheehan

Yes or direct financial impact. I'm not...

Chairman Deane

Direct financial impact.

Alderman Sheehan

It doesn't say financial it just says showing the impact of the proposed resolution. To me it should say financial, but...

MOTION BY ALDERMAN SHEEHAN TO AMEND BY ADDING THE WORDS “; AND DIRECT FINANCIAL IMPACT TO ANY OTHER ACCOUNTS” AFTER THE WORDS “ON THE ~~RESERVE~~ ACCOUNT” IN THE FIRST SENTENCE OF § 5-19
MOTION CARRIED

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE AS AMENDED

ON THE QUESTION

Alderman Flynn

Certainly more information is always better. I dug out the previous ordinance when we amended this section. The previous ordinance was O-08-31. We did it back in November of 2008. About half of us were here at that time. Under “§ 5-134, A, which doesn’t appear on this ordinance, but regarding financial reports, which is what we are amending, 5-134, B, under section A it talks about the City CFO “shall prepare and present monthly to the Mayor and Board of Aldermen financial reports showing the financial condition of the City, an analysis of revenue received in relation to budgeted revenue, and an analysis of expenditures and encumbrances...” Does anybody get that report or do you have to go to the Internet to get that report? I don’t get that report. I used to get it when I was a first term Alderman.

Chairman Deane

I think it is in the back room.

Alderman Flynn

I don’t think it is. The last time I looked it wasn’t in the back room. I think what is published on the Internet, the city financial reports they do a monthly update about the second week of each month. I’m assuming that must represent what this requirement is or somebody else might get something that may be of more value to me at least. I find that I can get a financial report if I seek it out. I don’t know if others really get it or don’t get it. We used to get it distributed in our packets. I didn’t know if there were some committees that you have to be on to get that; if maybe the Finance Committee gets those reports.

Chairman Deane

No. I get them from the school district when I ask for them.

Alderman Flynn

I get the reports that I think I need, but I get them off the Internet I don’t have them distributed to me. I just thought that maybe the Finance Committee or somebody else on some other committee’s might say that they get those through some natural distribution rather than having to go out and search them out.

The second part of this, which is under the ordinance being amended today, item B, where it talks about these dates, how is that presented to the board; “The Chief Financial Officer’s office shall prepare and present...” this has been effect since last August also, since O-08-3. Section B says: “The Chief Financial officer’s office shall prepare and present on or about...” at that time it was September 30 and December 31 “...of each year to the Mayor and Board of Alderman an ~~reserve~~ accounts analysis...” Does anybody get that report or do you have to do what I do find it on the city website?

Chairman Deane

No. We are given that report, but it is not presented to us. We were given both of those.

Alderman Flynn

We got a report on December 31st of this year?

Chairman Deane

Yeah.

Alderman Flynn

I have been looking at the city website for the end of the year the report representing the end of June, which would have been FY10. The city website still doesn't have the full reports for last year. What were the Aldermen given on December 31st of this year? Does anybody recall what they got?

Chairman Deane

I can inquire, but I don't believe we got anything.

Alderman Flynn

The city website has the 400, 500, and 600 accounts, but none of the other accounts even for the previous fiscal year are closed yet I guess. They are not on the city website yet anyhow. When we do these kind of things where we put language in to present us reports it seems like it is a burden certainly on the particular department to have to remember some kind of checklist of some kind of tickler file to be sure that we get not the reports that we have asked for specifically, but reports that we have asked for through ordinances. I think those are a little bit harder for any financial officer to watch for, but I don't remember getting any reports on December 31st other than like I say I do have a natural routine of my own to go onto the city website and look up the individual monthly reports. I looked again today, but the last time I had inquired about it the year still hadn't been fully closed. That was a few months ago. I looked today and the final reports for last fiscal year, which would be under the month of June, still aren't on the city website. I don't know what the board was presented on the 31st.

Chairman Deane

I can inquire Alderman Flynn. It is like earlier this evening that report that we got from Rose Evans, that is set by ordinance and that was delivered.

Alderman Cox

Just to add to what Alderman Flynn is saying, the fiscal note states that the financial departments feels it is not fair and reasonable to move the September 30th to the 1st. Has that changed or did our new CFO say that he could accomplish that. I know that has been I think stated a couple of times. I think this date has been attempted to be changed twice maybe.

Chairman Deane

That puts them 90 days into the next fiscal year. I don't think that is unreasonable. It just seems like we get down to the nitty gritty with the tax rate. We can't get answers on what we are sitting on for unexpended appropriations and everything else. I think we should know.

Alderman Flynn

The wording that is on here originally before it is amended tonight so I can understand where we are moving from and where we are moving to, I would have believed that we would have seen at the end of December based on this talking about a reserve account analysis, I would believe that would have also showed us any

reserves that we had set aside for example in either the healthcare accounts or reserves that we had set aside in the other half of the 308...

Chairman Deane

The IBNR?

Alderman Flynn

The liability side for the insurances and whatever. We have health insurance and then we have another side of 308, which is the property and casualty. We have reserves in both of those. Did anybody see those reserves on December 31st? I know I definitely didn't see that. Would you think this legislation was pointing to that as well?

Chairman Deane

Yeah.

Alderman Flynn

I know I definitely didn't see that at the end of December. I would remember what I saw in the last three weeks.

Chairman Deane

The expendable trust funds and the undesignated fund balance weren't included in the report like we used to get prior that we haven't received that was due on 31 December. I will inquire as to where the report is.

Alderman Flynn

But those accounts do have reserves in them both the health fund and the property & casualty, I hope they do, but I know I haven't seen, I did not see that. This legislation is good legislation, but it is not like it is somehow there is a penalty, you get your pay cut, and she has already cut her pay quite frankly so we can't cut her pay any more.

Alderman Cox

We actually haven't approved that yet.

Alderman Flynn

I'm hoping we can get that done tonight.

Chairman Deane

Are you all set?

Alderman Flynn

Yes.

Chairman Deane

The motion on the floor is to recommend final passage as amended.

MOTION CARRIED

MOTION BY ALDERMAN FLYNN TO TAKE FROM THE TABLE 0-10-22

MOTION CARRIED

O-10-22

Endorsers: Mayor Donnalee Lozeau
Alderman-at-Large Brian S. McCarthy

ELIMINATING THE INCREASE IN THE MAYOR'S FY2011 SALARY

Alderman Flynn

I don't even have a copy of this with me quite frankly, but I really still intended before tonight to take this from the table. I think it is about time for us to take some kind of action on this. We're 7 months into the fiscal year.

This was a position that the Mayor took trying to balance the budget. I think most of her, she calls it her cabinet, I think most of her cabinet but not all of her cabinet pretty much followed suit and took a freeze on their salary. This is just some housekeeping to match up her salary to what is in the ordinances, and I think after 7 months it is probably time for us to take some action and get this procedural thing cleaned up.

If the Mayor does end up having her salary frozen for this year, and we didn't appropriate any money a raise for her, it just means that she really is getting paid under the ordinances. The ordinances actually said that she should have taken a raise this year, so this just cleans up the ordinances it doesn't change any money from any pocket or any appropriation. I am ready to move forward with it now.

MOTION BY ALDERMAN FLYNN TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Clemons

Just a question to the committee; why was this tabled in the first place?

Chairman Deane

When was that back in July and the sun was out, we were cutting the grass...

Alderman Flynn

For myself, at that time I was kind of interested in having an opportunity to think about how does this affect the other people in her cabinet and what would be the impact on this moving forward; would they be getting a normal raise next year or would they have some catch up period on their part, and I have decided that is really for the Mayor to take care of in her budget for next year. Like I say we are in January of this year. I have decided that is really just the Mayor's business as to how she is going to handle the rest of her cabinet for next year's budget.

Alderman Cookson

Thank you. Just for those who may not have the ordinance and the amendment to it; it is the Mayor's salary

and it says: However, for FY2011, the Mayor's salary shall remain at the same amount as FY2010, and for FY2012, the Mayor's salary shall be calculated as if the Mayor's FY2011 salary had been increased by the three year CPI-U average change." Basically she is foregoing the salary increase this year, but next year she will get a double bump increase.

To that point, I know it has been stated by the Mayor that FY11 is going to be difficult, FY12 is going to be...you know two years ago it was FY10/11 are going to be difficult, now it is FY11/12 are going to be difficult, and my opinion is if you are going to remove your increase for a year you remove your increase, and I don't like the idea of the double bump increase that next year in FY12. I would just assume that she forego her increase where she is making \$103,000 a year, and that her FY12 salary be calculated on what her salary is at that time when it is up for increase.

Alderman Sheehan

I have a question whereby by the time this gets to the full board potentially 4 pay periods would have expired; would we be doing this retroactive until January 1, 2011 or will this be a move forward?

Chairman Deane

It says: "This ordinance shall take effect following its passage." Alderman Cookson, her salary increase next year or for this year's operating budget is going to be predicated as though she had received the raise, but did not.

Alderman Sheehan

I understood that part.

Alderman Flynn

The Mayor gets paid an annual budget. She could get paid \$1 a week for the first 51 weeks and then get all of the balance in week 52. Really in terms of monies it just matters that by the end of the fiscal year the last payment to the Mayor for her salary adds up to what we have agreed to within this ordinance. There is no stipulation how much she makes on a weekly basis. I don't know if she has already asked the ...she might have already gone to the finance office or the payroll department and asked them to change her salary for the moment to this number and at the end of the year she could always get whatever is due her in her last paycheck. I don't know what she has done for the first 26 weeks or whatever. But at the end of the year she is entitled to that much money and she would get that whether we pay her zero for the first 51 weeks, she would get that on her second week.

The other side of the coin is as far as next year's salary she will get paid next year whatever we decide to do with that ordinance between now and the time we have the budget come forward so next year's budget we might decide not to appropriate money for the Mayor depending on what your own inclination is. We just saw today how easy it was to change the ordinances. You just need 8 votes at the full board or don't even have to get it approved you can just move forward by a committee. Next year's budget is written down it becomes kind of a public document so people know what the Mayor is expected to earn, but quite frankly you have to make that appropriation at the time the budget comes forward anyhow. We don't know what she will end up making for next year quite frankly. That is going to be a decision that we will have to decide how we want to appropriate money within her department.

Alderman Sheehan

So I may have used the wrong word, but essentially there is no time that is offsetting money so it is essentially retroactive for January 1st because it is a yearly payout consideration and not a weekly.

Alderman Flynn

This started last July.

Chairman Deane

So it has been 7 months right?

Alderman Flynn

This is for this fiscal year here.

Alderman Sheehan

Fiscal year so we need to address this before June 30th. Thank you.

Alderman Cookson

I would make a motion to amend. I would like to keep the first part of the underlined text “However, for FY2011, the Mayor’s salary shall remain at the same amount as FY2010”. And for FY2012, the Mayor’s salary shall be calculated on the Mayor’s FY2011 salary.

Alderman Flynn

Shall be calculated how? On the CPI or something?

Alderman Cookson

So let me begin again, so FY2010. For FY2012 the Mayor’s salary shall be calculated on the Mayor’s FY2011 salary based on the three year CPI-U average change.

**MOTION BY ALDERMAN COOKSON TO AMEND SO THAT THE LAST PART OF “§ 5-61 READS:
“HOWEVER FOR FY2011, THE MAYOR’S SALARY SHALL REMAIN AT THE SAME AMOUNT AS FY2010.
FOR FY2012 THE MAYOR’S SALARY SHALL BE CALCULATED ON THE MAYOR’S FY2011 SALARY
BASED ON THE THREE YEAR CPI-U AVERAGE CHANGE.”**

ON THE QUESTION

Chairman Deane

So “had been increased” would be removed right?

Alderman Cookson

That is correct.

Chairman Deane

And “by” will be “based on the three year CPI-U average change.”

Alderman Cookson

So again my rationale for making the motion is that I believe that if you are going to forego your salary increase you forego your salary increase and that your next year’s salary is based on what you are currently making.

Alderman Sheehan

I have a question; would the amendment Alderman Cookson is proposing be consistent with how the Mayor’s cabinet are treated for FY12 relative for CPI indexing?

Alderman Cookson

I couldn’t answer that question, it is the Mayor’s cabinet and she can deal with them however she wants to deal with them. This is specific to the Mayor’s salary.

Alderman Clemons

Thank you. I actually agree with Alderman Cookson. I didn’t understand the rationale behind bumping it up again because basically you lose the point in doing it if you do that. The whole point was to not take the increase this year because we were trying to save money and it was a tight year and everything and to then go back and next year say well now I want the double increase, you may as well not done it in the first place. I definitely agree with Alderman Cookson I think it is the right thing to do.

Alderman Flynn

I would say the Mayor hasn’t said that anyhow, this is just the legislation that came forward from the President of the Board of Aldermen. The Mayor hasn’t really spoken one way or another how she intends to handle her salary next year to my knowledge. She hasn’t mentioned it to me either way.

Alderman Clemons

This came from the Mayor.

Chairman Deane

Yeah Mayor Donnalee Lozeau and Brian S. McCarthy.

Alderman Flynn

In any case, I thought there was something else that was said that I was going to respond to, and I added that at the last minute and now I forget the thing I thought was more important. Maybe it will come to me, maybe we just vote. I’m blank now. I thought it had something to do with what you mentioned, but I don’t remember what it was now.

Alderman Clemons

One other thing; I also agree with Alderman Flynn with regard to the payments in that it can be taken care of at the end of the year, balanced out at the end of the year. I think that is perfectly acceptable.

Chairman Deane

That is how it all works. Is there any more discussion on the motion?

MOTION CARRIED

MOTION BY ALDERMAN DEANE TO RECOMMEND FINAL PASSAGE AS AMENDED

MOTION CARRIED

TABLED IN COMMITTEE

O-10-23

Endorser: Alderman-at-Large Barbara Pressly

ESTABLISHING AN OMBUDSMAN FOR THE CITY OF NASHUA AND AUTHORIZING THE TRANSFER OF \$60,000 FROM ACCOUNT 591-86005 "FY2011 GENERAL CONTINGENCY" INTO ACCOUNT 501-53 "MAYOR'S OFFICE – PROFESSIONAL SERVICES"

GENERAL DISCUSSION

Alderman Pressly

Thank you. I had an idea regarding Alderman Sheehan's resolution 10-66 before it was tabled, and this is it; I told you earlier what happened when there was the home invasion in my neighborhood and I started saying we had an illegal conversion to a two-family and it was with Alderman Clemons and met with the Mayor and some of the staff and it turns out that is not the right word. What happened here and happens many times is that the Assessor's department somehow got into the building and they determined that it was two families, and it was based on having an oven in the basement, a full stove oven. Since they determined, assessing determined, it was a two-family and they started charging them as a two-family so they have been paying as a two-family for some time and low and behold Building never looked at it or had approved it. So it became pretty clear that there was no communication between Assessing and the Building Department, and that is the disconnect.

I have been thinking that what I would like to do and I haven't done it yet, I have been sponsoring a lot of things, I thought it would make sense to require that every time the Assessing Department changes the number of units in a building that they must notify the Building Department. So I'm thinking maybe that idea could be combined with Alderman Sheehan's idea of R-10-66 because that would solve a lot of the issues in your neighborhood and throughout the city. One of the key issues for code enforcement is the number of units within a building. If we were to change that and use your vehicle to do so and work together and maybe get Legal to help us with an amendment that would combine the two ideas and sort of say that from now on whenever Assessing notices a change or an increase in the number of units in a building or maybe even a decrease, just a change in the numbers, that they must in fact notify the Building Department.

That would solve some of the problem and it would also probably cost some money. I don't know that it would be \$92,000, but it would certainly require that the code enforcement needed more money to do that because it would trigger sending them out to a specific building that the Assessor's Office had spotted, and I think it would solve a lot of problems. With the committee's permission and Alderman Sheehan's permission maybe

we could combine these idea, and come up with something that would help solve the problem and use your idea here as the vehicle to do that.

Chairman Deane

Alderman Pressly you don't need permission from anybody to do anything.

Alderman Pressly

Well I know that, but...

Chairman Deane

You were told that the other day and I'm telling you you can do whatever you want to do. I just want to understand that if you are going to move forward with something like that should I be contacting Mrs. Hersh to come in or do you want me to hold off on that until you and Alderman Sheehan do some brainstorming and you could let me know if you want me to have her come in to discuss this situation or...

Alderman Sheehan

We could certainly flush it out more before we ask Director Hersh to join us, however, I am not sure it should be included in this because I think that there is more to your idea in the reverse as well; should code find that there is extra letting Assessing know. I get e-mails on property listings sent to me often that is like a real estate listing and it gets sent to me and I see 4 kitchens in the pictures and Assessing has them as a two-family. Why do you have 4 kitchens you know...

Chairman Deane

Just to be...

Alderman Sheehan

There is going back and forth.

Chairman Deane

I don't understand it either because go look at my house; it says I have 10 bedrooms. I do not.

Alderman Sheehan

It says I have 14 rooms. I do not.

Chairman Deane

And you raise issue with that situation, and it is, I don't understand...so I will leave it at that. If you two are going to get together to discuss this and if you need me to ask Mrs. Hersh to come in or whatever or you want to go ask her that is fine by me just me know if she is going to come to a meeting to discuss this situation and we can put it on the agenda and leave it at that. I will wait to hear back from you.

Alderman Pressly

Thank you. The reason I asked for permission is that this is her legislation and so I didn't know if she would be interested in combining it. But we will talk about it. I just thought I would let the whole committee know that to me the real problem is the lack of communication between the two departments at City Hall and that if we somehow get them to start talking to each other we might solve some of the major density problems and it will cost probably extra money to do it.

Chairman Deane

That is why Alderman Pressly when you enter this building and someone approaches you you say I am an Alderman I am here to help you.

Alderman Pressly

Thanks.

Chairman Deane

It works.

Alderman Pressly

Is that the same as the ...

Chairman Deane

People are very...

Alderman Pressly

Is that the same as the check is in the mail?

Chairman Deane

It is not, it is far from it. Is there any other discussion?

Alderman Cookson

We had Mr. Donovan here this evening. His title over at the School Department is it Chief Operating Officer or Chief Financial Officer?

Chairman Deane

I think it is Chief Financial Officer.

Alderman Cox

Financial Officer.

Alderman Cookson

He was sharing some information at this evening's meeting that he seemed to believe was or should have been general knowledge of items that had been shared or discussed with, and I am only assuming based on his comments, that it was the Board of Education in the recent past as they have been formulating and having conversations and talking about their upcoming budget. Could I ask the Liaison of the committee if that is an accurate statement?

Chairman Deane

Alderman Cox do you have an answer for that question?

Alderman Cox

You would have to be more specific to what information he was discussing.

Alderman Pressly

Can't hear over here.

Alderman Cox

Could you be more specific to which information that he was discussing that you...

Alderman Cookson

Just about the different accounts and what they were going to be doing with severance and as far as budgeting this upcoming season and whether it be for the portables or any one of the other topics that he raised this evening. I am just curious are those recent conversations that have taken place before the Board of Education?

Alderman Cox

No. The things that he spoke about that he was working on as he is working on putting his responsibility numbers together, which haven't come forward yet no.

Alderman Cookson

Okay. Thank you.

Alderman Cox

And the portables and the things that he spoke of were...

Alderman Cookson

Those were older.

Alderman Cox

Well they were accidentally as he admitted, omitted from last year's budget. Whether it be an unknown

process that changed; the city used to pick it up now they were supposed to and they didn't, and then there was one other – they are not ongoing and they are not things being discussed before the Board of Education.

Alderman Cookson

Okay. It just sounded like some of the topics that he was discussing this evening or bringing to our attention were things that may have been recently discussed before the Board of Education. I will go back and review this evening's minutes when they are available and follow up with a question for you based on that. Thank you.

Alderman Pressly

Thank you Mr. Chairman. You all know I am not a member of this committee, but I come here because I learn so much and I really appreciate the discussion. One of the things, I hope you will notice that for first reading tomorrow I put in legislation to allow the Budget Chairman to invite, I put in there Superintendent, to attend this committee on a quarterly basis, and I hope you will look at that and consider and support it. I thought it was really good tonight to have him here and have sort of a friendly exchange of ideas. The school budget is the most expensive budget for the whole city. It is the thing we worry about the most and yet at the same time we have the least amount of oversight, and I think it is really important that somebody from the school department come in. Tonight he came in because there was legislation, but at least let the Budget Chairman invite someone from the school department to come in occasionally just to tell us are they on budget, how the things are working out, and I think at the committee level is just a friendly you know what is going on, how are things going, and also an update on the educational.

I know that Alderman Melizzi-Golja often tells us of interesting new changes in the education field. Anyway your bringing that up made me mention it. I thought tonight was really helpful and he was very kind to come. I think it is nice to be able to talk to school people when you don't have a deadline, a budget deadline that is lurking over your head, and to find out more what is going on. It keeps us informed and I think it would be important to them too. Anyway thank you. Please consider it.

Alderman Wilshire

I guess I am a little confused about why a friendly invitation has to be legislated.

Alderman Pressly

Maybe it is from my experience in the State House. It is a policy. In other words it is in language that sort of indicates that it is appropriate and welcome, it is not mandatory. The advantage of that is I think since I was elected the only thing I have heard repeatedly is that we have absolutely no say over the school department, and there have been times of contentiousness, and I think that having it informally in our statutes as a general policy for the city that we encourage them to come and speak to the group occasionally. There is nothing mandatory, if they say no we can't right now as we are too busy, that is fine too.

Chairman Deane

Thank you. Is there any other discussion?

ADJOURNMENT

**MOTION BY ALDERMAN COX TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 9:19 p.m.

Alderman Richard P. Flynn
Committee Clerk